

**MINUTES of the
DELAWARE ECONOMIC & FINANCIAL ADVISORY COUNCIL**

Buena Vista – April 21, 2014

Attendance:

Member	Present
S. Bhatt	Yes
J. Bullock	No
L. Davis Burnham	Yes
R. Byrd	Yes
J. Casey	Yes
N. Cook	Yes
T. Cook	Yes
R. Davis	Yes
J. DiPinto	No
F. Dixon	Yes
B. Fasy	Yes
C. Flowers	No
R. Glen	Yes
G. Hindes	Yes
J. Horty	Yes
D. Hudson	No
A. Levin	Yes

Member	Present
K. Lewis	Yes
D. Link	No
A. Lubin	Yes
G. Marcozzi	Yes
J. Martin	Yes
C. Morgan	Yes
M. Morton	Yes
J. Polidori	Yes
E. Ratledge	Yes
T. Shopa	Yes
G. Simpson	Yes
M. George Smith	No
A. Staton	Yes
D. Swayze	Yes
J. Twilley	Yes
A. Visalli	Yes

Members in Attendance: 27

Members Absent: 6

Others Present: A. Aka, J. Bilbrough, K. Cruz, J. Eisenbrey, D. Gregor, J. Hoover, P. Jackson, J. Johnstone, K. Knight, B. Maxwell, S. McVay, B. Motyl, A. Penney, C. Stewart and members of the press.

Opening Business: Mr. Martin called the meeting to order at 3:00 p.m.

The minutes from the March meeting were approved as submitted.

Expenditure Subcommittee:

Mr. Ratledge presented the Expenditure Subcommittee's report. The April Balance Sheet estimate is \$3,777.6 million. Mr. Ratledge noted that the Reversion estimate was raised to \$70 million, while estimates for Encumbered and Continuing stood at \$34 million and \$218.6 million respectively. He also noted that the April expenditure estimate amounted to 92.1% of the authorized amount of \$4,100.2 million (See Table 1a for complete details).

Mr. Ratledge reviewed the Function Sheet estimate. He said that changes in the estimates for Salary and Fringe Benefits were marginal, and that the Medicaid estimate was decreased by \$12.9 million between March and April. He stated that 221,492 Delawareans are enrolled in Medicaid. This number includes both newly eligible and individuals covered by the CHIP program. Mr. Ratledge reported that estimates for Grants, Contractual Services, Debt Service, Supplies and Materials, and Capital Outlay were unchanged from March (See Table 1b for complete details).

A motion was made, seconded and approved to accept \$3,777.6 million as the expenditure estimate for FY2014. This represents a \$119.1 million increase over FY2013 expenditures.

Revenue Subcommittee:

Mr. Lewis presented the Revenue Subcommittee's report.

Economic Outlook

Mr. Aka reviewed the IHS Global Insight's U.S. macroeconomic forecast. He reported that, with the exception of Real GDP, all other estimates were little changed from their March values. He noted that IHS has reduced its first-quarter growth estimate for Real GDP on the back of various factors. Mr. Aka also reviewed Delaware economic forecast. He reported that Wages and Salaries growth estimate was revised down in April because of data revision made by the Bureau of Economic Analysis.

A special topic titled "Tracking State Revenue Trends with State Indexes" was presented by Mr. Flora and Mr. Puenpatom of the Federal Reserve Bank of Philadelphia. Mr. Flora stated that both the bank's leading index and coincident index are available for each of the 50 U.S. states. He added that the leading index could benefit from the inclusion of state-specific indicators.

With regard to the bank's coincident index Mr. Puenpatom said that the latter is derived from four state-level economic variables, using econometric tools and algorithms such as Dynamic Factor Models and Kalman Filter. He pointed out that the diffusion index – an

index that summarizes economic activity across the 50 U.S. states – showed all states being in a recession toward the end of the Great Recession. Mr. Puenpatom explained the usefulness of the diffusion index in predicting a recession. He reported that several researchers have made use of the coincident index to help explain state revenue trends.

With regard to the bank's leading index, Mr. Puenpatom said that the latter is derived from the bank's coincident index and four other leading indicators, using econometric tools such as Vector Autoregression (VAR) estimation. The leading index is designed to forecast the 6-month growth rate of the coincident index. Mr. Puenpatom contrasted the bank's methodology from the one used by the Conference Board to derive their leading index.

Mr. Twilley commented that in 2011-12 Delaware's coincident index was decreasing while most other U.S. states were seeing a positive increase in their index. In response to questions from Mr. Dixon, Mr. Puenpatom reported that the data needed for the computation of the coincident index is available with a lag of only one month. He also mentioned that only two national variables are used in the derivation of the leading index.

In response to questions from Mr. Horthy, Mr. Puenpatom said that a breakdown of industry is not included in the current coincident index model. Mr. Flora added that the manufacturing sector is strongly tied to the ups and downs of the business cycle and that Delaware's leading index could greatly benefit from the addition of state-specific indicators.

Mr. Simpson inquired about the inclusion of fiscal policy into the computation of the leading index. Mr. Flora answered that fiscal policy is too slow to be a good leading indicator. Mr. Lewis suggested that revenue data could be a good coincident indicator. He noted that personal income tax withholding figures are excellent indicators that can be used to predict future Wages and Salaries data from the Bureau of Economic Analysis. Mr. Flora answered that revenue data tend to follow, not to lead, the economy. He explains that withholding data track BEA figures well because the latter has a huge lag.

Mr. Levin wondered why Delaware's leading index is outpacing the U.S. in 2014 when its coincident index is underperforming the nation. Mr. Flora answered that large and mature economies such as California tend to post smaller jumps in their leading index, while smaller states could see more volatility.

General Fund Revenues - Fiscal Year 2014:

The Revenue Subcommittee recommended the following updates to March's estimates:

Revenue Category	Mar-14	Apr-14	Change
Abandoned Property	500.0	470.0	(30.0)
Corporation Income Tax	195.0	180.0	(15.0)
PIT Refunds	(201.2)	(210.0)	(8.8)
Other Refunds	(74.8)	(83.4)	(8.6)
Franchise Tax	615.3	619.6	4.3
Personal Income Tax	1,392.4	1,396.4	4.0
Gross Receipts Tax	229.0	226.0	(3.0)
Dividends and Interest	5.0	3.0	(2.0)
Estate Tax	4.5	3.0	(1.5)
Cigarette Taxes	112.5	114.0	1.5
Insurance Taxes	54.3	53.0	(1.3)
Limited Partnerships & LLC's	191.8	192.8	1.0
Public Utility Tax	47.0	46.2	(0.8)
Corporate Fees	94.7	95.2	0.5
Other Revenues	92.8	92.9	0.1

For a complete listing of FY 2014 estimates, see Table 2.

Discussion of FY 2014 Estimates:

Personal Income Tax: Mr. Lewis stated that the increase in the estimate can be attributed to stronger growth in PIT Withholding. He noted that the estimate for PIT Less Refunds has decreased because of an upward revision of the Refunds estimate.

Corporate Income Tax: Mr. Lewis stated that the decrease in the estimate was due to softer tracking as well as delay in one-time payment. The delayed payment accounts for two-third of the decrease in the estimate.

Abandoned Property: Mr. Lewis said that the decline in the estimate was due to enforcement issues.

Other Refunds: Mr. Lewis said that the increase in the estimate was due to Utility tax refunds and a higher refund for Abandoned Property.

All remaining changes were attributed to tracking.

FY 2014 Estimate Adopted:

A motion was made, seconded and approved to accept the Revenue Subcommittee's recommendation of \$3,562.4 million as the revenue estimate for FY2014.

The estimate represents a \$59.6 million decrease from DEFAC's March estimate and an adjusted growth rate of -0.75%.

General Fund Revenues - Fiscal Year 2015:

The Revenue Subcommittee recommended the following updates to March's estimates:

Revenue Category	Mar-14	Apr-14	Change
Limited Partnerships & LLC's	201.4	236.0	34.6
Franchise Tax	615.3	643.7	28.4
Personal Income Tax	1,435.5	1,450.1	14.6
PIT Refunds	(211.0)	(220.3)	(9.3)
Corporation Income Tax	275.0	280.0	5.0
Gross Receipts Tax	233.5	230.5	(3.0)
Realty Transfer Tax	61.0	64.0	3.0
Dividends and Interest	7.0	5.0	(2.0)
Cigarette Taxes	109.8	111.7	1.9
Other Revenues	100.0	101.1	1.1
Public Utility Tax	47.0	46.2	(0.8)
Corporate Fees	97.6	98.0	0.4
Insurance Taxes	56.6	56.7	0.1

For a complete listing of FY 2015 estimates, see Table 2.

Discussion of FY 2015 Estimates:

Personal Income Tax: Mr. Lewis said that the increase in the estimate was due to carrying forward of the FY2014 changes as well as stronger forecast for PIT Withholding.

Franchise Tax and LP/LLC: Mr. Lewis said that the increase in both estimates was due to a legislative change, which is expected to add \$51.5 million to these revenue categories both in FY2015 and FY2016.

Corporate Income Tax: Mr. Lewis stated that the increase in the estimate was due to a delayed payment, which more than offset the lower CIT base.

Realty Transfer Tax: Mr. Lewis stated that the increase in the estimate, due to current momentum in the data, has been discussed and agreed upon in the Subcommittee session.

Abandoned Property: Mr. Simpson asked why the estimate for that revenue category has been left unchanged from March. Mr. Lewis answered that the decrease in the estimate for FY2014 was due to enforcement problems, which are expected to improve in the future. Mr. Cook elaborated on the issue by saying that there has been resistance from companies to turn over documentation to the Department of Finance, slowing down the Department's ability to close some audits in FY2014.

Mr. Lewis reported that all other changes reflected the carrying forward of changes made in FY2014 and maintaining previous growth rates.

FY 2015 Estimate Adopted:

A motion was made, seconded and approved to accept the Revenue Subcommittee's recommendation of \$3,916.3 million as the revenue estimate for FY2015.

The estimate represents an increase of \$74.0 million from the March estimate and an adjusted growth rate of 3.50%. \$51.5 million is attributed to the legislative decisions that were enacted after the March meeting.

For information purposes, Mr. Lewis said that the FY2016 revenue estimate is \$3,934.7 million and the adjusted growth rate is 3.25%. \$51.5 million (of the \$61.7 million revenue increase) can be attributed to the legislative decisions that were enacted after the March meeting.

Balance and Appropriations Worksheet: Mr. Gregor presented the Balance and Appropriations worksheet. The result of this exercise is attached as Table 3.

Transportation Trust Fund (TTF)

TTF -- Expenditures: Mr. Motyl presented the Transportation Trust Fund's expenditure forecast.

State Operations Expenditure: The estimate was raised from \$354.9 million in March to \$356.4 million. Mr. Motyl explained that the increase was due to a higher estimate for Operations/Capital Outlay.

State Capital Expenditure: The estimate was decreased from \$180.4 million to \$169.7 million. Mr. Motyl explained that the decrease was due to delays of various projects, despite a positive tracking change in Equipment Purchase category.

Federal Capital Expenditure: The estimate was reduced from \$240.0 million to \$220.0 million. Mr. Motyl explained that the decrease was due to project delays.

GARVEE – US301 Capital Expenditure: The estimate was reduced from \$21.0 million to \$7.0 million. Mr. Motyl explained that the decrease was due to real estate acquisition issues, whose resolutions were pushed into the following fiscal year.

A motion was made, seconded, and approved to accept \$753.1 million as the FY2014 TTF expenditure estimate. The estimate represents a decrease of \$43.2 million from March's estimate (See Table 4).

TTF -- Revenues: Mr. Motyl presented the Transportation Trust Fund's revenue forecast.

FY2014 Estimates:

Toll Road Revenues: The estimate was reduced from \$169.5 million in March to \$166.5 million. Mr. Motyl explained that the \$3 million decrease in the estimate was due to a decline in the estimate for I95 Newark Plaza revenue category, which in turn can be attributed to tracking, weather and traffic performance.

Motor Fuel Tax Administration: There was no change from March's estimate of \$114.1 million.

Division of Motor Vehicles: There was no change from March's estimate of \$160.8 million.

Other Transportation Revenue: There was no change from March's estimate of \$13.8 million.

A motion was made, seconded, and approved to accept \$455.2 million as the FY2014 TTF revenue estimate. The estimate represents a decrease of \$3 million from the March estimate.

FY2015 Estimates:

The following changes were made from the March estimate.

Toll Road Revenues: The estimate was reduced from \$172.5 million to \$168.4 million. Mr. Motyl explained that the lower estimate reflected the carrying forward of changes made in I95 Newark Plaza revenue category for FY2014.

Motor Fuel Tax Administration: There was no change from March's estimate of \$113.2 million.

Division of Motor Vehicles: There was no change from March's estimate of \$165.7 million.

Other Transportation Revenue: There was no change from March's estimate of \$14.4 million.

(See Table 5).

Other Business:

Mr. Martin announced the next scheduled DEFAC meeting dates:

- May 19, 2014
- June 16, 2014

There being no further business, Mr. Martin thanked Mr. Flora and Mr. Puenpatom for their excellent presentation and adjourned the meeting at 4:23 p.m.

Respectfully submitted,

Arsene Aka

Table 1a.

DEFAC Expenditures Forecast for General Fund Disbursements FY2014 (\$ in millions)												
April 2014 (as of 04/21/14) DRAFT												
	FY2009	FY2010	FY2011	FY2012	FY2013							FY2014
	Actual	Actual	Actual	Actual	Actual							Appropriation
Budget Act	3,362.9	3,091.5	3,305.3	3,508.6	3,586.8							3,718.2
Cash to Bond Bill	83.4	0.0	91.0	115.3	53.4							60.9
Grant-in-Aid	45.2	35.4	35.2	41.2	44.2							44.8
Continuing & Encumbered (from prior years)	234.8	183.7	184.9	303.7	301.1							276.4
Supplementals	0.0	0.0	0.0	0.0	0.0							0.0
Fiscal Year Spending Authority	3,726.3	3,310.6	3,616.4	3,968.8	3,985.5							4,100.2
LESS:												
Reversions to the General Fund	247.0	49.3	42.1	75.3	50.5		Sep	Dec	Mar	Apr	May	June
Encumbered to next fiscal year	36.3	37.7	35.2	39.3	35.6		10.0	50.0	50.0	70.0		
Continuing to next fiscal year							34.0	34.0	34.0	34.0		
Operating Budget												
Bond Bill												
Total Continuing	147.4	147.2	268.4	261.8	240.9		248.3	221.7	221.7	218.6		
Subtotal	430.7	234.1	345.7	376.4	327.0		292.3	305.7	305.7	322.6	0.0	0.0
Fiscal Year Budgetary Expenditures	3,295.5	3,076.5	3,270.7	3,592.4	3,658.5							3,777.6
% increase/(decrease)		-6.65%	6.31%	9.84%	1.84%							3.25%
Comments:												
Expenditures / Spending Authority	FY2009 88.4%	FY2010 92.9%	FY2011 90.4%	FY2012 90.5%	FY2013 91.8%	5-Yr Avg 90.8%						FY 2014 92.1%
Reversions / Spending Authority	6.6%	1.5%	1.2%	1.9%	1.3%	2.5%						1.7%
Encumbered / Spending Authority	1.0%	1.1%	1.0%	1.0%	0.9%	1.0%						0.8%
Total Continuing / Spending Authority	4.0%	4.4%	7.4%	6.6%	6.0%	5.7%						5.3%

Recommended by Expenditures Subcommittee;
April 21, 2014

Table 1b.

DEFAC Expenditures Forecast for General Fund Disbursements FY2014 (\$ in millions)													
April 2014 (as of 04/21/14) DRAFT													
	FY2010	FY2011	FY2012	FY2013	Sep	Dec	Mar	Apr	Difference	FY2014 YTD	% spent	% forecast	% of
	Actual	Actual	Actual	Actual	FY2014	FY2014	FY2014	FY2014	14 vs. '13	(actual 03/30/14)	FY2014 YTD	FY2014 total	FY2012 total
Salaries	1154.7	1200.1	1,277.4	1,285.6	1,313.6	1,313.6	1,311.3	1,308.3	22.7	980.0	33.7%	34.6%	35.1%
Fringe Benefits	330.9	365.4	379.5	379.0	395.8	395.8	397.3	396.3	17.3	297.3	10.2%	10.5%	10.4%
Health Care	218.9	253.0	260.6	261.7	277.1	277.1	279.1	279.1	17.4	209.6	7.2%	7.4%	7.2%
Other	112.0	112.4	118.9	117.3	118.7	118.7	118.2	117.2	(0.1)	87.7	3.0%	3.1%	3.2%
Pension	196.7	222.2	252.9	271.9	281.6	281.6	282.4	282.4	10.5	213.6	7.3%	7.5%	7.4%
Debt Service	174.3	169.5	144.4	144.8	157.9	157.9	157.9	157.9	13.1	138.3	4.8%	4.2%	4.0%
Grants	276.6	327.3	364.0	372.8	377.7	377.7	377.7	377.7	4.9	305.2	10.5%	10.0%	10.2%
Medicaid	428.6	466.2	637.3	637.0	675.7	672.8	672.8	659.9	22.9	518.3	17.8%	17.5%	17.4%
Contractual Services	435.7	434.5	455.1	484.0	521.5	511.0	511.0	511.0	27.0	389.0	13.4%	13.5%	13.2%
Supplies & Materials	58.9	59.1	65.5	63.7	63.9	63.9	63.9	63.9	0.2	53.0	1.8%	1.7%	1.7%
Capital Outlay	20.1	26.4	16.3	19.6	20.2	20.2	20.2	20.2	0.6	12.6	0.4%	0.5%	0.5%
FY Budgetary Expenditures	3,076.5	3,270.7	3,592.4	3,658.5	3,807.9	3,794.5	3,794.5	3,777.6	119.1	2,907.3	100.0%	100.0%	100.0%
Comments:													

DEFAC General Fund Revenue Worksheet

April-14 DEFAC Meeting		FY 2013		FY 2014			FY 2015				
Revenue Category	A Actual Collections	B DEFAC Mar-14	C % B over A	D DEFAC Apr-14	E % D over A	F \$ Increase D over B	G DEFAC Mar-14	H % G over B	I DEFAC Apr-14	J % I over D	K \$ Increase I over G
Personal Income Tax	1,318.9	1,392.4	5.6%	1,396.4	5.9%	4.0	1,435.5	3.1%	1,450.1	3.8%	14.6
Less: Refunds	(179.1)	(201.2)	12.3%	(210.0)	17.2%	(8.8)	(211.0)	4.9%	(220.3)	4.9%	(9.3)
PIT Less Refunds	1,139.8	1,191.2	4.5%	1,186.4	4.1%	(4.8)	1,224.5	2.8%	1,229.8	3.7%	5.3
Franchise Tax	605.6	615.3	1.6%	619.6	2.3%	4.3	615.3	0.0%	643.7	3.9%	28.4
Limited Partnerships & LLC's	179.9	191.8	6.6%	192.8	7.2%	1.0	201.4	5.0%	236.0	22.4%	34.6
Subtotal Franchise + LP/LLC	785.5	807.1	2.8%	812.4	3.4%	5.3	816.7	1.2%	879.7	8.3%	63.0
Less: Refunds	(8.7)	(10.0)	14.4%	(10.0)	14.4%	0.0	(10.0)	0.0%	(10.0)	0.0%	0.0
Net Franchise + LP/LLC	776.7	797.1	2.6%	802.4	3.3%	5.3	806.7	1.2%	869.7	8.4%	63.0
Business Entity Fees	89.8	94.7	5.4%	95.2	6.0%	0.5	97.6	3.1%	98.0	2.9%	0.4
Uniform Commercial Code	16.9	17.4	2.8%	17.4	2.8%	0.0	17.8	2.3%	17.8	2.3%	0.0
Corporation Income Tax	205.7	195.0	-5.2%	180.0	-12.5%	(15.0)	275.0	41.0%	280.0	55.6%	5.0
Less: Refunds	(17.8)	(72.0)	305.0%	(72.0)	305.0%	0.0	(42.6)	-40.8%	(42.6)	-40.8%	0.0
CIT Less Refunds	187.9	123.0	-34.5%	108.0	-42.5%	(15.0)	232.4	88.9%	237.4	119.8%	5.0
Bank Franchise Tax	103.5	99.0	-4.4%	99.0	-4.4%	0.0	101.4	2.4%	101.4	2.4%	0.0
Gross Receipts Tax	226.3	229.0	1.2%	226.0	-0.1%	(3.0)	233.5	2.0%	230.5	2.0%	(3.0)
Lottery	235.3	218.8	-7.0%	218.8	-7.0%	0.0	215.4	-1.6%	215.4	-1.6%	0.0
Abandoned Property	566.5	500.0	-11.7%	470.0	-17.0%	(30.0)	514.0	2.8%	514.0	9.4%	0.0
Hospital Board and Treatment	59.7	47.5	-20.4%	47.5	-20.4%	0.0	47.5	0.0%	47.5	0.0%	0.0
Dividends and Interest	6.3	5.0	-20.4%	3.0	-52.2%	(2.0)	7.0	40.0%	5.0	66.7%	(2.0)
Realty Transfer Tax	42.3	63.0	49.1%	63.0	49.1%	0.0	61.0	-3.2%	64.0	1.6%	3.0
Estate Tax	5.3	4.5	-15.1%	3.0	-43.4%	(1.5)	10.0	122.2%	10.0	233.3%	0.0
Insurance Taxes	53.9	54.3	0.7%	53.0	-1.7%	(1.3)	56.6	4.2%	56.7	7.0%	0.1
Public Utility Tax	44.5	47.0	5.7%	46.2	3.9%	(0.8)	47.0	0.0%	46.2	0.0%	(0.8)
Cigarette Taxes	115.2	112.5	-2.3%	114.0	-1.0%	1.5	109.8	-2.4%	111.7	-2.0%	1.9
Other Revenues	89.6	92.8	3.5%	92.9	3.6%	0.1	100.0	7.8%	101.1	8.8%	1.1
Less: Other Refunds	(29.8)	(74.8)	151.3%	(83.4)	180.2%	(8.6)	(39.9)	-46.7%	(39.9)	-52.2%	0.0
Net Receipts	3,729.8	3,622.0	-2.9%	3,562.4	-4.5%	(59.6)	3,842.3	6.1%	3,916.3	9.9%	74.0
Change due to legislation adopted in April 2014:											
Net DEFAC Changes:						\$0.0					
Adjusted Growth Rate						(59.6)					
						-0.75%					

Table 2.
DEFAC General Fund Revenue Worksheet

Revenue Category	FY 2016				
	L DEFAC Mar-14	M % L over G	N DEFAC Apr-14	O % N over I	P \$ Increase N over L
Personal Income Tax	1,504.2	4.8%	1,519.5	4.8%	15.3
Less: Refunds	(224.8)	6.5%	(234.6)	6.5%	(9.8)
PIT Less Refunds	1,279.4	4.5%	1,284.9	4.5%	5.5
Franchise Tax	615.3	0.0%	643.7	0.0%	28.4
Limited Partnerships & LLC's	211.4	5.0%	246.1	4.3%	34.7
Subtotal Franchise + LP/LLC	826.7	1.2%	889.8	1.1%	63.1
Less: Refunds	(10.0)	0.0%	(10.0)	0.0%	0.0
Net Franchise + LP/LLC	816.7	1.2%	879.8	1.2%	63.1
Business Entity Fees	100.5	3.0%	101.0	3.1%	0.5
Uniform Commercial Code	18.1	1.7%	18.1	1.7%	0.0
Corporation Income Tax	205.0	-25.5%	200.0	-28.6%	(5.0)
Less: Refunds	(42.6)	0.0%	(42.6)	0.0%	0.0
CIT Less Refunds	162.4	-30.1%	157.4	-33.7%	(5.0)
Bank Franchise Tax	106.2	4.7%	103.4	2.0%	(2.8)
Gross Receipts Tax	244.7	4.8%	241.5	4.8%	(3.2)
Lottery	220.8	2.5%	220.8	2.5%	0.0
Abandoned Property	514.0	0.0%	514.0	0.0%	0.0
Hospital Board and Treatment	46.8	-1.5%	46.8	-1.5%	0.0
Dividends and Interest	10.0	42.9%	8.0	60.0%	(2.0)
Realty Transfer Tax	66.0	8.2%	69.2	8.1%	3.2
Estate Tax	10.0	0.0%	10.0	0.0%	0.0
Insurance Taxes	63.0	11.3%	63.2	11.5%	0.2
Public Utility Tax	48.7	3.6%	47.8	3.5%	(0.9)
Cigarette Taxes	107.6	-2.0%	109.5	-2.0%	1.9
Other Revenues	98.0	-2.0%	99.2	-1.9%	1.2
Less: Other Refunds	(39.9)	0.0%	(39.9)	0.0%	0.0
Net Receipts	3,873.0	0.8%	3,934.7	0.5%	61.7
Change due to legislation adop					\$51.5
Net DEFAC Changes:					\$10.2
Adjusted Growth Rate					3.25%

Table 3.
Balance and Appropriations Worksheet

FY 2014 EXPENDITURES		FY 2014 BALANCES		FY 2015 APPROPRIATION LIMITS	
Total Spending Authority	\$4,100.2	Total Expenditures	\$3,777.6	FY 2015 Revenue Estimate	\$3,916.3
Less: Continuing Appropriations & Encumbrances from FY 2014	(\$252.6)	vs. FY 2014 Revenues	3,562.4	Unencumbered Cash Balance from FY 14	<u>(\$33.6)</u>
Less: Reversions	<u>(\$70.0)</u>	Operating Balance	(215.2)	100% Appropriation Limit	\$3,882.7
Total Expenditures	\$3,777.6	Prior Year Cash Balance	<u>\$635.9</u>	98% Appropriation Limit	<u>\$3,805.0</u>
		Cumulative Cash Balance	420.7	Prior 98% Appropriation Limit	\$3,771.3
		Less: Continuing Appropriations & Encumbrances from FY 2014	(252.6)	Increase (Decrease) from Prior Meeting	\$33.7
		Less: Budgetary Reserve Account	<u>(\$201.7)</u>	Sept. 2013 98% Appropriation Limit	\$3,768.6
		Unencumbered Cash Balance 6/30	<u>(\$33.6)</u>	Increase (Decrease) from September 2013	<u>\$36.4</u>

Table 4.

Delaware Department of Transportation FY 2014 Expenditures, Thru March 31, 2014											75%
	FY2012 Actual	FY2013 Actual	FY2014 Appropriation	SEPTEMBER FY2014 Forecast	DECEMBER FY2014 Forecast	MARCH FY2014 Forecast	APRIL FY2014 Forecast	\$ difference	\$ difference FY2013 Actual	FY2014 YTD Spend	% spent YTD
Operations											
Debt Service	123.8	123.5	112.3	112.3	112.3	112.3	112.3	0.0	(11.2)	112.3	100.0%
Personnel Costs	88.1	86.5	89.1	89.1	87.7	89.1	89.1	0.0	2.6	63.8	71.6%
Operations/Capital Outlay	53.2	56.9	57.2	57.2	60.6	69.6	71.1	1.5	14.2	48.8	68.6%
Transit Operations (DTC)	77.5	83.0	83.9	83.9	83.9	83.9	83.9	0.0	0.9	62.9	75.0%
Total Expenditures - Operations	342.6	349.9	342.5	342.5	344.5	354.9	356.4	1.5	6.5	287.8	80.8%
Capital (State)			<u>CTP Spend</u>								
Road System	144.7	134.6	108.2	108.2	108.2	100.8	92.6	(8.2)	(42.0)	70.0	75.6%
Grants & Allocations	15.8	20.9	21.8	21.8	21.8	20.8	19.8	(1.0)	(1.1)	13.3	67.2%
Support Systems	25.2	27.0	46.5	46.5	46.5	45.5	46.0	0.5	19.0	26.0	56.5%
Transit	5.8	5.5	15.2	15.2	15.2	13.3	11.3	(2.0)	5.8	3.7	32.7%
Total Expenditures- State Capital	191.5	188.0	191.7	191.7	191.7	180.4	169.7	(10.7)	(18.3)	113.0	66.6%
Capital (Federal)			<u>CTP Spend</u>								
Federal Capital	213.2	214.5	347.8	305.3	270.0	240.0	220.0	(20.0)	5.5	126.3	57.4%
Capital (GARVEE)			<u>CTP Spend</u>								
GARVEE - US301	35.7	26.9	28.2	28.2	28.2	21.0	7.0	(14.0)	(19.9)	5.9	84.3%
Total Expenditures - Capital	440.4	429.4	567.7	525.2	489.9	441.4	396.7	(44.7)	(32.7)	245.2	61.8%
TOTAL EXPENDITURES	783.0	779.3	910.2	867.7	834.4	796.3	753.1	(43.2)	(26.2)	533.0	70.8%

Table 5.

DELAWARE DEPARTMENT OF TRANSPORTATION Transportation Trust Fund Revenues									
	FY 12	FY 13	% Chg.	Fiscal 2014			Fiscal 2015		
				3/17/2013 Approved	4/21/2014 Recomm	% Chg. FY 13	3/17/2013 Approved	4/21/2014 Recomm	% Chg. FY 14
<u>TOLL ROAD REVENUES:</u>									
I95 Newark Plaza	\$115.3	\$117.4	1.8%	\$119.5	\$116.5	-1.0%	\$121.8	\$117.7	1.0%
Route 1 Toll Road	44.9	46.2	2.9%	\$47.5	\$47.5	2.8%	\$48.1	\$48.1	1.3%
Concessions	<u>1.8</u>	<u>2.4</u>	<u>33.3%</u>	<u>\$2.5</u>	<u>\$2.5</u>	<u>5.2%</u>	<u>\$2.6</u>	<u>\$2.6</u>	<u>4.0%</u>
Total Toll Road Revenues	162.0	166.0	2.5%	\$169.5	\$166.5	0.3%	\$172.5	\$168.4	1.1%
<u>MOTOR FUEL TAX ADMIN.</u>									
	115.9	115.0	(0.8%)	\$114.1	\$114.1	(0.8%)	\$113.2	\$113.2	(0.8%)
<u>DIVISION OF MOTOR VEHICLES</u>									
Motor Vehicle Document Fees	71.1	77.6	9.1%	\$85.7	\$85.7	10.5%	\$88.3	\$88.3	3.0%
Motor Vehicle Registration Fees	46.6	47.6	2.1%	\$48.5	\$48.5	2.0%	\$50.0	\$50.0	3.1%
Other DMV Revenues	<u>25.0</u>	<u>25.5</u>	<u>1.8%</u>	<u>\$26.6</u>	<u>\$26.6</u>	<u>4.5%</u>	<u>\$27.4</u>	<u>\$27.4</u>	<u>3.0%</u>
Total DMV Revenues	142.7	150.6	5.5%	\$160.8	\$160.8	6.8%	\$165.7	\$165.7	3.0%
<u>OTHER TRANSPORTATION REV.</u>									
Other Transportation Rev	11.3	11.3	(0.3%)	\$11.3	\$11.3	1.3%	\$11.4	\$11.4	0.9%
Investment Income(Net)	<u>3.2</u>	<u>2.2</u>	<u>(30.6%)</u>	<u>\$2.5</u>	<u>\$2.5</u>	<u>12.6%</u>	<u>\$3.0</u>	<u>\$3.0</u>	<u>20.0%</u>
Total Other Transp. Revenue	14.5	13.5	(7.0%)	\$13.8	\$13.8	2.3%	\$14.4	\$14.4	4.3%
GRAND TOTAL	\$435.1	\$445.1	2.3%	\$458.2	\$455.2	2.3%	\$465.8	\$461.7	1.4%
				(\$3.0)			(\$4.1)		